

January 29, 2002

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**JOINT RESOLUTION BETWEEN THE COUNTY OF LOS ANGELES AND THE CITY
COUNCIL OF THE CITY OF PALMDALE APPROVING AND ACCEPTING THE
NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE AS A RESULT OF THE
PROPOSED ANNEXATION NO. 1999-03
(SUPERVISORIAL DISTRICT 5) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Joint Resolution between your Board and the City Council of the City of Palmdale (Palmdale) based on the negotiated exchange of property tax revenue, as a result of the proposed annexation of a portion of two parcels owned by Los Angeles World Airports (LAWA), City of Los Angeles, into Palmdale's boundaries.
2. Authorize the Chief Administrative Officer to provide the Local Agency Formation Commission (LAFCo) a waiver of the protest proceedings for the proposed annexation pursuant to Section 56663(c)(2) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On January 16, 2002, Palmdale City Council adopted the attached Joint Resolution based on the negotiated exchange of property tax revenue resulting from the proposed annexation of a portion of two parcels owned by LAWA into the City's legal boundaries. In order for LAFCo to proceed with the required hearings on the proposed annexation,

your Board, as the governing body of the County, must also adopt the attached Joint Resolution, which transfers base revenue and a portion of the annual tax increment from the County to Palmdale and adjusts the County and Palmdale's share of the annual property tax increment accordingly.

Pursuant to a development agreement between Palmdale and the City of Los Angeles dated June 13, 2001, Palmdale agreed to annex the area into its legal boundaries to facilitate development of the property. The annexation area includes portions of two parcels under a lease agreement between the City of Los Angeles and SR Technics America, Inc., an aircraft maintenance firm operating on the site. As the owner of the property, the City of Los Angeles is allowing only the leased area to be annexed to Palmdale. Palmdale and the County have agreed to work with the City of Los Angeles to take appropriate action to change the existing boundaries of the affected parcels to create a single parcel for the annexed area. This process can occur independently of the annexation proceeding.

As a means of expediting the annexation process, the County may provide LAFCo with its consent to a waiver of protest proceedings. If all of the public agencies involved consent to the waiver, the need for a LAFCo protest hearing is eliminated and LAFCo may order the annexation at its first hearing.

FISCAL IMPACT/FINANCING

The adopted resolution will transfer Four Hundred Thirty-Three dollars (\$433) in base property tax revenue from the County to Palmdale and a portion of the annual property tax increment (7 percent before Educational Revenue Augmentation Fund adjustment) attributable to the annexation from the County to Palmdale commencing in Fiscal Year 2003-04.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Part 3, Division 3, Title 5 of the California Government Code, commencing with Section 56000, the City adopted a resolution and filed its application with LAFCo on November 20, 2000, to initiate proceedings for annexation of portions of two adjacent parcels located in unincorporated Los Angeles County and owned by LAWA.

Section 99 of the Revenue and Taxation Code requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must negotiate a reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution. The City adopted the negotiated Joint Resolution on January 16, 2002.

Adoption of the Resolution by your Board will allow LAFCo to schedule the required public hearing to consider testimony on the proposed annexation. LAFCo will subsequently take action to approve, approve with changes or disapprove the proposal. Pursuant to Section 56663(c)(2), LAFCo may waive protest proceedings if the affected agencies that will gain or lose territory as a result of the change of organization or reorganization have consented in writing to a waiver of protest proceedings; and the affected owners of land have also agreed to the waiver. The cities of Palmdale and Los Angeles are expected to also provide such a waiver to LAFCo in an effort to expedite the annexation proceedings.

The Joint Resolution has been approved as to form by County Counsel.

CONCLUSION

At such time as the recommendation is approved by your Board, please return one copy of the letter and five signed originals of the Resolution to LAFCo, three approved copies of this letter and two signed original Resolution to the Chief Administrative Office, Office of Unincorporated Area Services, and one copy of the approved letter and Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:LS
DD:MJS:os

Attachment

c: Auditor-Controller
County Counsel
City of Palmdale
City of Los Angeles, Los Angeles World Airports
Local Agency Formation Commission

**JOINT RESOLUTION OF
THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
AND THE CITY COUNCIL OF THE CITY OF PALMDALE
APPROVING AND ACCEPTING
THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE RESULTING FROM
“ANNEXATION NO. 1999-03” TO THE CITY OF PALMDALE AND DETACHMENT
FROM THE COUNTY PUBLIC LIBRARY DISTRICT AND
COUNTY ROAD DISTRICT NO. 5**

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of an affected County and City shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies; and

WHEREAS, the property proposed to be annexed in “Annexation No. 1999-03” consists of portions of two parcels of unincorporated territory; and

WHEREAS, in an effort to improve the property tax administration process associated with this annexation, the Board of Supervisors of the County of Los Angeles and the City Council of the City of Palmdale agree that the property to be annexed should be included in a single parcel contiguous to the existing boundary of the City of Palmdale; and

WHEREAS, the Board of Supervisors of the County of Los Angeles and the City Council of the City of Palmdale have determined the amount of property tax revenues to be exchanged between their respective agencies as a result of the annexation of unincorporated territory to the City of Palmdale identified as “Annexation No. 1999-03” and detachment from the County Library District and Road District No. 5, is as set forth below:

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The negotiated exchange of property tax revenue between the County of Los Angeles and the City of Palmdale resulting from “Annexation 1999-03” is approved and accepted.

2. For fiscal years commencing on or after July 1, 2003, or the July 1 after the effective date of this jurisdictional change, whichever is later, Four Hundred Thirty-Three dollars (\$433), as shown in the attachment, of property tax revenue shall be transferred from the County of Los Angeles to the City of Palmdale. In addition, for each fiscal year commencing on or after July 1, 2003, or the July 1 after the effective date of this jurisdictional change, whichever is later, a portion of the annual tax increment attributable to the Palmdale “Annexation No. 1999-03” area equal to 7 percent, before Educational Revenue Augmentation Fund (ERAF) adjustments, shall be transferred from the County of Los Angeles to the City of Palmdale.

3. For fiscal years commencing on or after July 1, 2003, or the July 1 after the effective date of this jurisdictional change, whichever is later, all property tax revenue received by the County Road District No. 5 attributable to “Annexation No. 1999-03” shall be transferred to the County of Los Angeles.

4. For fiscal years commencing on or after July 1, 2003, or the July 1 after the effective date of this jurisdictional change, whichever is later, all property tax revenue received by the County Public Library attributable to the Palmdale “Annexation No. 1999-03” area shall be transferred to the County of Los Angeles.

5. In the event that all or a portion of the annexation area is included within a redevelopment project pursuant to California Community Redevelopment Law, Health & Safety Code Sections 33000 et seq., the City of Palmdale shall not adopt the ordinance approving the redevelopment plan with respect to the annexed area until such time as the Redevelopment Agency of the City of Palmdale has diligently and in good faith complied with all applicable provisions of the California Community Redevelopment Law, including but not limited to, Health & Safety Code Section 33670 or any other relevant provision of the law. Any ordinance approving a redevelopment project which does not comply with this paragraph shall be void and of no effect with regard to the subsequent allocation and distribution of taxes to the Redevelopment Agency.

6. The parties agree to take appropriate action to change the existing parcel boundaries of the affected parcels in order to create a single parcel, describing the area to be annexed, that is contiguous to the existing boundary of the City of Palmdale.

Other parcels may be created in the unincorporated area of Los Angeles County, as are necessary to create the new boundary of the parcel to be annexed.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2002
by the following vote:

AYES: ABSENT:
NOES: ABSTAIN:

Mayor, City of Palmdale

ATTEST:

City Clerk

The foregoing resolution was on the _____ day of _____, 2002, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive Officer
Clerk of the Board of Supervisors
Of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL

LLOYD W. PELLMAN

By _____
Deputy